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A SURVEY OF FOREIGN SERVICE ECONOMIC REPORTING

Executive Office of the President  
Bureau of the Budget  
Washington, D. C.

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### Summary of Recommendations

#### A New Program of Economic Reporting Should Be Developed.

The United States now needs much more analytical and comprehensive economic reporting from foreign posts and the transmission of an orderly body of statistics. A revised reporting program toward these ends should be commenced as soon as possible. U. S. needs for information from abroad have been radically altered during the past 10 years, and, generally speaking, our foreign economic reporting has not kept pace with U. S. needs. Reporting has neglected our strategic interests; there have been insufficient analyses relating economic and social developments to political stability and inadequate information upon the economic potentials in foreign countries. Instead, economic reporting has consisted largely of trade information, market analysis and commercial background data. A few exceptions, such as ECA's reports, are recognized.

The recommended revision of the reporting program necessitates the following measures:

1. Washington Agencies Should Prepare and Continually Revise Comprehensive Data Requirements Reflecting Present Day Needs.

Foremost, it is essential that the CIA complete and transmit a statement of national security data requirements to be met by the Foreign Service. The State Department should also specify its requirements beyond those covered by the CIA in order to meet the new program needs. Similarly, other using agencies should review and revise their requirements. All requirements must be continuously revised to reflect changing conditions.

2. The Volume of Data Requests Should Be Regulated and Relative Priorities Assigned.

The State Department should be authorized by Executive Order, pursuant to the Foreign Service Act of 1946, to determine priorities and adjust the volume of data requests to the available resources of the Foreign Service in order that it may proceed in fulfilling requirements in accordance with their relative importance.

A responsibility rests with each agency using the Foreign Service to limit its requests to those which are considered essential and to establish the relative importance of these requests to one another, but the State Department must be given the authority to make overall adjustments in the Foreign Service workload and to advise the field of relative priorities among data requests. At present the State Department considers

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that its authority is not clear and, therefore, it does not regulate the volume of reporting demands placed upon foreign posts by various requesting agencies. Without such management, foreign posts will continue to be servants of many uncoordinated masters, and will not be in a position to execute the envisaged program. It is anticipated that the State Department would exercise its authority after appropriate consultation with the CIA in establishing the priority of data for national security requirements. This authority would not do away with negotiation between State and other agencies over the treatment of data requests. It is also expected that the Bureau of the Budget would have an active role in treating interagency problems arising from this system of management over data collection.

3. The State Department Should Focus Its Leadership and Coordinating Responsibilities Over Foreign Service Economic Reporting in a Strengthened Division of Foreign Reporting Services.

The present Division of Foreign Reporting Services should be re-constituted with the additional functions and authority necessary to assure that the State Department's portion of the above steps are executed.

4. Staffing, Assignment and Training Practices of the Foreign Service Should Be Revised to Facilitate Achievement of the New Program.

The recommendations for action in Washington toward meeting the new data needs will be of small consequence unless they are accompanied by the following measures in the Foreign Service personnel program:

- a. A substantial number of Foreign Service Officers should be freed for the new program through the utilization of local personnel at foreign posts for routine data collection and reporting.
- b. Increased use should be made of economists and other specialists from other agencies and sources outside the Foreign Service to strengthen the Foreign Service in economic work.
- c. Special attention is directed toward the need for a closer association of the respective officers engaged in economic and political analysis at foreign posts.
- d. Greater efforts should be made to keep Foreign Service Officers informed of the reasons behind the needs of the new economic reporting program.
- e. Increased development of regional economic specialists should be stressed through the training and retention of officers for longer periods in geographical areas.

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